

Attachment B: Officials' Consultation Paper – Stakeholder feedback template

Submission from Alinta Energy

The template below has been developed to enable stakeholders to provide feedback on

- the refined approach to extending the national framework to covered gases (see Chapter 3 of the consultation paper); and
- the amendments to the NGL, NERL and National Regulations that are required to give effect to the refined approach (see **Attachment A** for the draft Bill and Chapters 4-5 of the consultation paper for a guide to these changes.

Officials strongly encourage stakeholders to use this template, so that it can have due regard to the views expressed by stakeholders on each issue. If you wish to provide additional feedback outside the template, wherever possible please reference the relevant question to which your feedback relates. It's

Feedback on the refined approach (see Chapter 3)

No.	Questions	Feedback
Related to:	Proposed approach to specifying the gases and blends within scope of national gas regulatory framework	n/a
1	What are your views on the refined approach to identifying the gases and blends that could fall within the scope of the national framework (see section 3.1)?	The refined approach achieves the objective of “future proofing” the regulatory regime for the introduction of renewable gases and blends as well as providing certainty for industry and consumers.
Related to:	Proposed extension of the NGL and National Gas Regulations	n/a
2	What are your views on the refined approach to extending the NGL to covered gases (see section 3.3)? Where appropriate, please comment in relation to the subheadings below.	The refined approach takes a holistic view of the treatment of natural gas equivalents, constituent gases and other gas products. This approach would provide certainty and if implemented efficiently (and consistently on a national basis), should not impede the development or incentive to invest in renewable gas facilities.
2.1	<p>What are your views on the proposed extension of the pipeline access regime to all pipelines transporting covered gases (i.e. natural gas, biomethane, synthetic methane, hydrogen and blends of these gases) and the impacts it may have on smaller players or new entrants? In responding to this question please consider:</p> <ul style="list-style-type: none"> ▪ the proposal to extend to the regime in this way from the commencement of the reforms; ▪ the potential impact on industry development, including where it may support the development a competitive and cost-efficient hydrogen and renewable gas industry, or may create barriers; ▪ the proposed changes to the pipeline ring-fencing arrangements; and ▪ the proposed power to exempt remote pipelines. 	<p>It is appropriate to extend the pipeline access regime to pipelines transporting covered gases. This will provide certainty and consistency for proponents of NGE facilities, suppliers, gas distributors and consumers.</p> <p>Exempting remote pipelines is likely to make sense where the cost of regulation outweighs any benefit. Similarly, the approach to access for facilities with no third party demand for services should also be light handed and reflect the circumstances of such assets.</p>

No.	Questions	Feedback
2.2	What are your views on the proposed new light-handed access regime for blend processing facilities?	Publishing information to potential users and access seekers of blending facilities and complying with the competitive parity rule should be in the interests of facility owners and developers to build confidence in the emerging market and attract customers.
2.3	When developing the refined approach, a number of steps have been taken to minimise regulatory costs and risks for industry participants and new entrants. Do you think any additional steps are required? If so, please explain what they are and why they are required.	At this early stage of industry development, a light-handed access regime is likely to be appropriate given the scale and impact of blend processing facilities in the short to medium term.
2.4	<p>Do you agree with the AEMC's recommendations (see section 3.2) that the NGL be amended to:</p> <ul style="list-style-type: none"> ▪ enable rules to be made so that AEMO can collect information for the purposes of the VGPR and capacity modelling from facilities that do not otherwise participate directly in the DWGM? ▪ limit the potential for the unintended application of the GSOO provisions in the NGL? <p>If you disagree with either of these recommendations, please explain why.</p>	We support the AEMC's recommendation that AEMO collect information for the purposes of the VGPR and capacity modelling for non DWGM participating facilities.
2.5	<p>Do you agree with the AER's recommendations (see section 3.2) that the NGL be amended to:</p> <ul style="list-style-type: none"> ▪ accord the regulator the power to impose additional ring fencing requirements on a class of service providers or associates through a ring-fencing order? ▪ allow conditions to be imposed on minimum ring-fencing exemptions issued under the NGR? <p>If you disagree with either of these recommendations, please explain why.</p>	At this stage, we do not believe ring-fencing exemptions should be applied on a class basis. This is because a precedent may be set that becomes standard over time to not examine the circumstances of blending facilities and their impact on the market as they grow in scale and impact.
2.6	Are any transitional arrangements required in the NGL to accommodate the extension to covered gases? If so, explain what they are and why they are required.	We understand the intent of the reforms is to extend the NGL and NGR to NGE facilities and activities as soon as possible and approved by Ministers with changes passing the South Australian parliament. We have not considered transitional arrangements at this stage.
Related to:	Proposed extension of the NERL and National Energy Retail Regulations	n/a
3.0	What are your views on the refined approach to extending the NERL to covered gases (see section 3.3)? Where appropriate, please comment in relation to the questions below.	As with other aspects of the national gas regulatory regime (the NGL, NGR and regulations), it is appropriate for the NERL and NERR to be extended to covered gases to provide certainty to investors, users/access seekers and consumers of renewable gases, other gases and blends.
3.1	What are your views on the approach to identifying NGEs and defining prescribed covered gases?	The approach is appropriate in line with the objectives of the refined approach.

Section of Draft Variation Regulations	Feedback

[insert extra rows if necessary]

Feedback on proposed changes to National Energy Retail Law (see Attachment A and Chapter 5)

Section of Draft Bill	Feedback
Schedule 3 clauses 11-16	While it is understood RoLR arrangements will need to be in place for retailers authorised to sell covered gases that are not natural gas, we assume that the default RoLRs listed in Schedule 4 of the NERR would not be obliged to procure the same blend of covered gas as the failed retailer, but simply ensure ongoing supply to end-use customers with a covered gas, which may be natural gas only.

[insert extra rows if necessary]

Feedback on proposed changes to the National Energy Retail Regulations

Section of Draft Variation Regulations	Feedback

[insert extra rows if necessary]